City of Brentwood

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Investment Performance Review
Third Quarter 2014

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Summary

- The U.S. economy continued its recovery during the quarter. However, global unrest and uncertainty about future policy decisions by the world's central banks—including the Federal Reserve (Fed)—caused volatility in the bond and equity markets.
- The yield curve flattened modestly as short-term rates rose and longer-term bond yields fell. The pivot point was just under ten years, where rates ended the quarter near when they began.
- Geopolitical uncertainty continued to move the markets. Military conflicts in Ukraine and the Middle East, as well as weaker economic data in the euro zone and various emerging markets such as China and Brazil, factored significantly in investor sentiment.

Economic Snapshot

- Second-quarter Gross Domestic Product (GDP) rose at a revised annual rate of 4.6%, driven by increases in consumption, inventories, exports, residential and nonresidential investment, and local government spending.
- The U.S. Unemployment Rate fell from 6.1% in June to 5.9% in September. While job growth has been impressive, wage growth has been weak and other measures such as Labor Force Participation Rate and Part-Time for Economic Reasons indicate lingering levels of underutilization.
- Housing market data was also mixed, with statistical indicators showing both strong and weak results throughout the quarter. Most recently, new-home sales reached the highest level since 2008, while existing-home sales had a small, unexpected decline.

Interest Rates

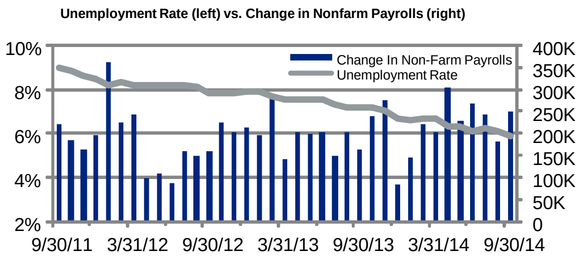
- The Federal Open Market Committee (FOMC) reaffirmed that its quantitative easing bond purchase program will end in October 2014. The FOMC also released an updated "dot plot" showing where members believe the federal funds rate will be at the end of the next several calendar years. The current chart shows a surprisingly fast upward trajectory for short-term rates, which appears to be inconsistent with both Fed Chair Janet Yellen's public comments and persistently low current market rates.
- The Consumer Price Index declined to 1.7% in August. This represented a modest decline in the rate of inflation compared to the prior year. Inflation continues to run below the Fed's 2% target rate.
- Yields on two- to five-year Treasuries trended up during the quarter while yields on 10- to 30- year Treasuries fell slightly. The result was a flattening of the yield curve. At the end of September, the curve was the flattest it has been in over 5 years.

Sector Performance

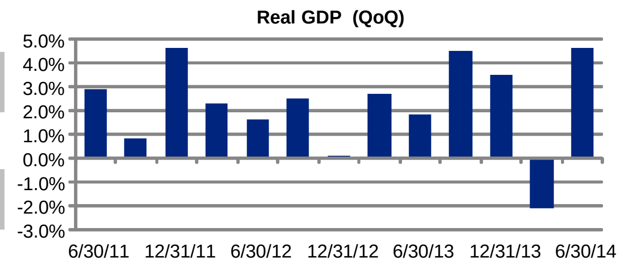
- Performance on fixed-income portfolios varied during the quarter depending on the portfolio structure. For shorter duration portfolios, performance was very modest—or in some cases negative—as income was offset by interest rate increases for short- and intermediate-term maturities across most sectors. Portfolios holding longer-maturity Treasury, Agency, and municipal bonds fared better because of the slight decline in yields.
- Spreads generally widened during the quarter, which negatively affected performance in the corporate sector. Still, corporates have been one of the best- performing sectors over the past one-, three-, and five-year periods.
- Short-term markets continued to be driven by the Fed as well as new regulations affecting banks and money market funds.

Economic Snapshot

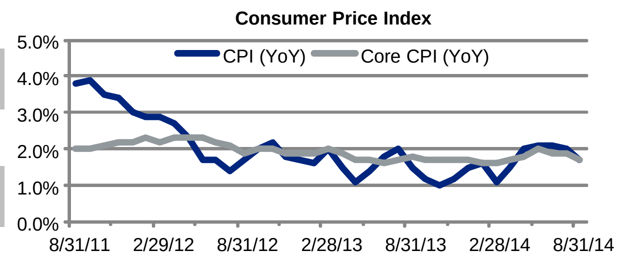
Labor Market		Latest	Jun 2014	Sep 2013
Unemployment Rate	Sep'14	5.9%	6.1%	7.2%
Change In Non-Farm Payrolls	Sep'14	248,000	267,000	164,000
Average Hourly Earnings (YoY)	Sep'14	2.0%	1.9%	2.0%
Personal Income (YoY)	Aug'14	4.3%	4.1%	2.8%
Initial Jobless Claims (week)	Sep 26	287,000	316,000	318,000



Growth				
Real GDP (QoQ SAAR)	2014Q2	4.6%	-2.1%[1]	4.5%[2]
GDP Personal Consumption (QoQ SAAR)	2014Q2	2.5%	1.2%[1]	2.0%[2]
Retail Sales (YoY)	Aug'14	5.0%	4.4%	3.2%
ISM Manufacturing Survey (month)	Sep'14	56.6	55.3	56.0
Existing Home Sales SAAR (month)	Aug'14	5.05 mil.	5.03 mil.	5.26 mil.



Inflation / Prices				
Personal Consumption Expenditures (YoY)	Aug'14	1.5%	1.6%	1.0%
Consumer Price Index (YoY)	Aug'14	1.7%	2.1%	1.2%
Consumer Price Index Core (YoY)	Aug'14	1.7%	1.9%	1.7%
Crude Oil Futures (WTI, per barrel)	Sep 30	$91.16	$105.37	$102.33
Gold Futures (oz.)	Sep 30	$1,211	$1,322	$1,327

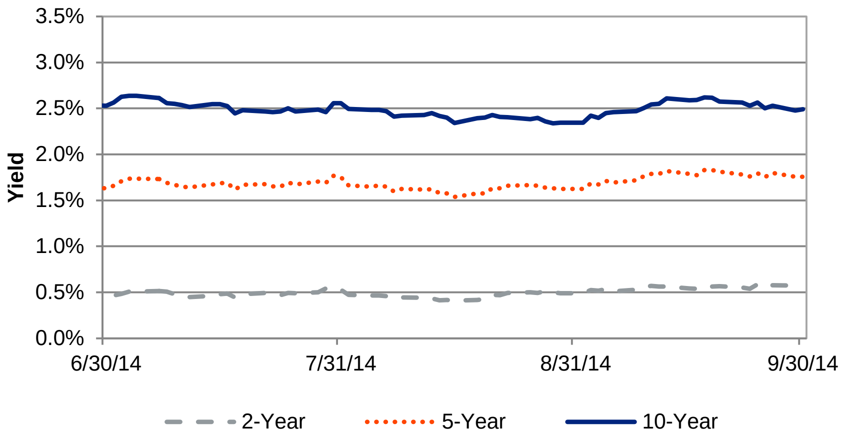


1. Data as of First Quarter 2014 *2. Data as of Third Quarter 2013*

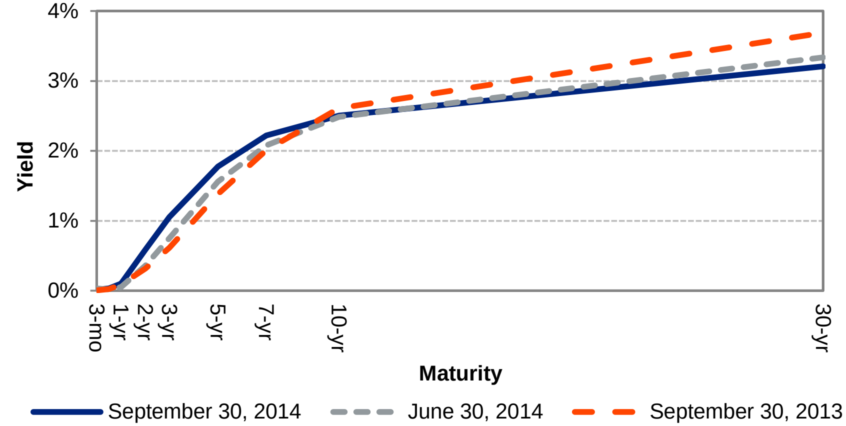
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

Interest Rate Overview

U.S. Treasury Note Yields



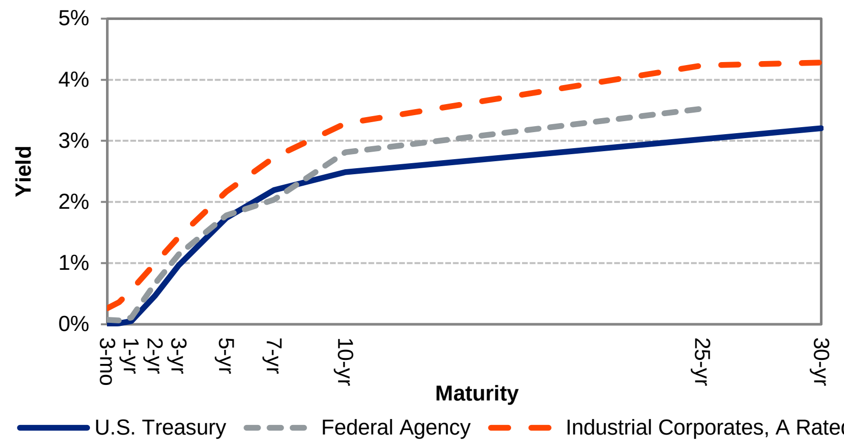
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	9/30/14	6/30/14	Change over Quarter	9/30/13	Change over Year
3-month	0.02%	0.02%	0.00%	0.01%	0.01%
1-year	0.10%	0.10%	0.00%	0.09%	0.01%
2-year	0.57%	0.46%	0.11%	0.32%	0.25%
5-year	1.76%	1.63%	0.13%	1.38%	0.38%
10-year	2.49%	2.53%	(0.04%)	2.61%	(0.12%)
30-year	3.20%	3.36%	(0.16%)	3.69%	(0.49%)

Yield Curves as of 9/30/2014



Source: Bloomberg

B of A Merrill Lynch Index Returns

	As of 9/30/2014		Returns for Periods ended 9/30/2014		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.91	0.59%	0.03%	0.50%	0.48%
Federal Agency	1.86	0.71%	0.07%	0.63%	0.65%
U.S. Corporates, A-AAA rated	1.96	1.14%	0.02%	1.39%	2.28%
Agency MBS (0 to 3 years)	1.56	1.21%	(0.14%)	1.49%	1.16%
Municipals	1.81	0.54%	0.12%	1.05%	1.04%
1-5 Year Indices					
U.S. Treasury	2.71	0.97%	(0.06%)	0.64%	0.63%
Federal Agency	2.36	0.97%	0.00%	0.99%	0.86%
U.S. Corporates, A-AAA rated	2.85	1.65%	(0.10%)	2.16%	3.06%
Agency MBS (0 to 5 years)	3.16	2.20%	0.05%	3.21%	2.01%
Municipals	2.58	0.83%	0.31%	1.88%	1.56%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	5.93	1.63%	0.43%	2.70%	1.08%
Federal Agency	3.95	1.48%	0.25%	2.55%	1.31%
U.S. Corporates, A-AAA rated	6.71	2.76%	0.17%	5.85%	4.58%
Agency MBS (0 to 30 years)	4.68	2.75%	0.15%	3.72%	2.06%
Municipals	6.99	2.65%	1.64%	8.73%	4.83%

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

Portfolio Summary

Total Portfolio Value	September 30, 2014	June 30, 2014
Market Value	**$174,185,968.90**	$191,148,970.13
Amortized Cost	**$174,224,151.90**	$190,895,827.88

PORTFOLIO RECAP

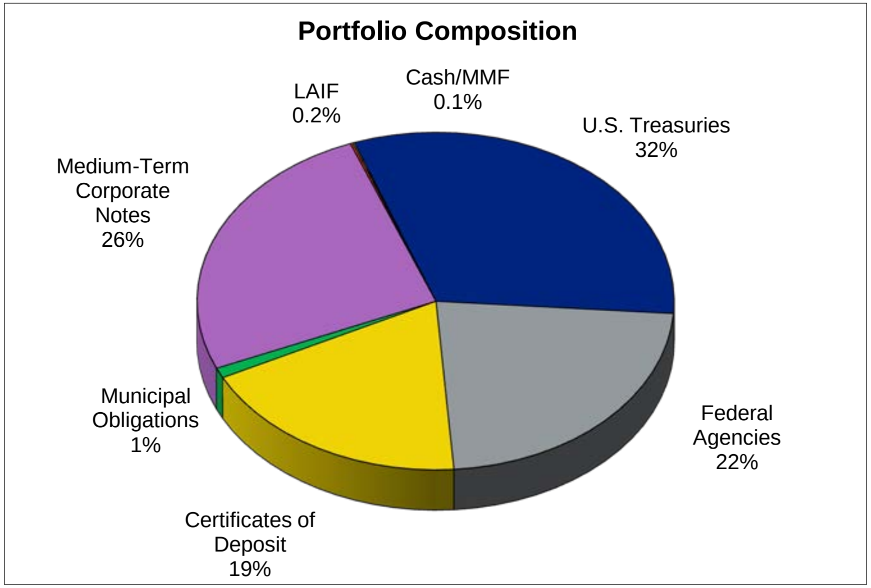
- The portfolio complies with the California Government Code and the City's investment policy.
- U.S. Treasury yields continued to experience periods of volatility throughout the quarter, particularly around key economic data releases, Federal Reserve meetings, and in response to swings in global equity markets. Yields for intermediate maturities (2-5 years) ended the quarter 11-17 basis points (0.11%-0.17%) higher. Surprisingly, this was not the case for longer maturities (10-30 years), where rates continued to fall modestly, causing a flattening of the Treasury yield curve.
- At the City's request we have actively sought to extend the duration of the portfolio. We capitalized on opportunities to extend portfolio duration when rates moved toward the higher end of recent trading ranges.
- Our sector preferences led us to continue to favor corporate notes and negotiable bank CDs. Market demand for corporate notes remained strong; nevertheless, we had success in garnering good allocations on new issues, and in using reverse inquiries, where PFMAM initiated negotiations with certain banks to issue specific security structures and maturities that best fit our market view. Our strategy to overweight credit sectors has added significant value to the portfolio over the past several years.
- Yield spreads between U.S. Treasury and Federal Agency securities with similar maturities temporarily deviated from their recent tightening trend. We used this brief opportunity to sell Treasuries and invest the funds in Federal Agencies to capture the higher yield.
- The yield curve remained steep by historical standards, which meant longer maturities continued to benefit from the favorable impact of "roll-down." With short-term rates near zero, the steep curve also increased the opportunity cost associated with maintaining liquid balances. Our strategy has been to minimize excess liquidity, maintain a reasonable balance between liquid assets and longer term "core" investments, and carefully manage duration to mitigate exposure to potentially rising rates.

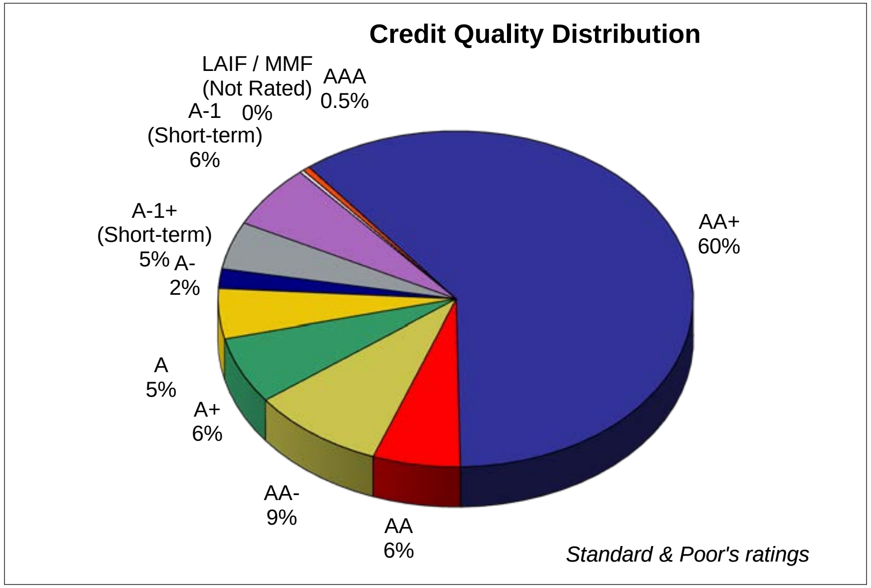
PORTFOLIO STRATEGY

- PFMAM continues to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.
- As economic data continues to signal a prospering U.S. economy, we believe the Federal Reserve will reduce the significant monetary support that has driven capital markets for the past six years. The Fed will conclude its large-scale asset purchase program in October, after which all eyes will turn to the FOMC's main policy tool—the Fed Funds Rate—and the potential timing and magnitude of expected rate hikes in 2015.
- The Federal Reserve recently updated its "policy normalization principles and plans" which explains the methods it will use to raise short-term interest rates and to reduce the Fed's securities holdings. While this provided valuable insights into how the Fed will act, there remains significant uncertainty regarding the timing and pace of those actions; market expectations currently range between the spring and summer of 2015 for a first rate hike. As was experienced in previous periods of monetary policy adjustment, we believe the market will push rates higher before any formal FOMC announcement. In such a period of policy transition and higher risk, we will continue to favor a defensive duration position for intermediate- and longer-duration portfolios. For portfolios with shorter investment horizons (1 year and under), we believe this type of market move is not likely to significantly impact portfolios in the near term, so our duration strategy is to keep the duration close to the duration of the benchmarks.
- Various factors could produce increased volatility, and downward rate pressure, at least temporarily, in coming quarters. These factors include developing geopolitical uncertainties, a stock market correction, weaker global economic growth, and easier central bank policies in Europe and elsewhere.
- We expect credit conditions to remain favorable and yield spreads to remain narrow; however, portfolios are positioned with the flexibility to capitalize on any temporary market dislocations or specific opportunities. We will continue to evaluate the broadest range of permitted investments, including asset-backed and mortgage-backed securities (ABS and MBS) where permitted, as we seek to capture favorable investment opportunities and optimize sector allocations.
- The SEC's recently finalized rules for money market funds have not yet impacted the shortest maturity securities. These new rules, along with a multitude of new bank standards for capital and liquidity, are likely to influence the supply and structure of money market securities in the next year or two. We will continue to closely monitor developments in this space and their potential impact on portfolio strategies.

Portfolio Composition and Credit Quality Characteristics

Security Type[1]	September 30, 2014	% of Portfolio	June 30, 2014	% of Portfolio	Permitted by Policy
U.S. Treasuries	$55,241,544	32%	$72,062,325	38%	100%
Federal Agencies	$39,446,746	23%	$32,258,681	17%	100%
Commercial Paper	$0	0%	-	0%	25%
Certificates of Deposit	$32,624,386	19%	$25,326,243	13%	30%
California Municipal Obligations	$1,684,345	1%	$1,680,733	<1%	100%
Medium-Term Corporate Notes	$44,703,410	26%	$44,043,188	23%	30%
Money Market Fund/Cash	$201,484	0.1%	$499,017	<1%	15%
LAIF	$284,054	0.2%	$15,278,783	8%	$50 Million
Totals	**$174,185,969**	**100%**	$191,148,970	100%	





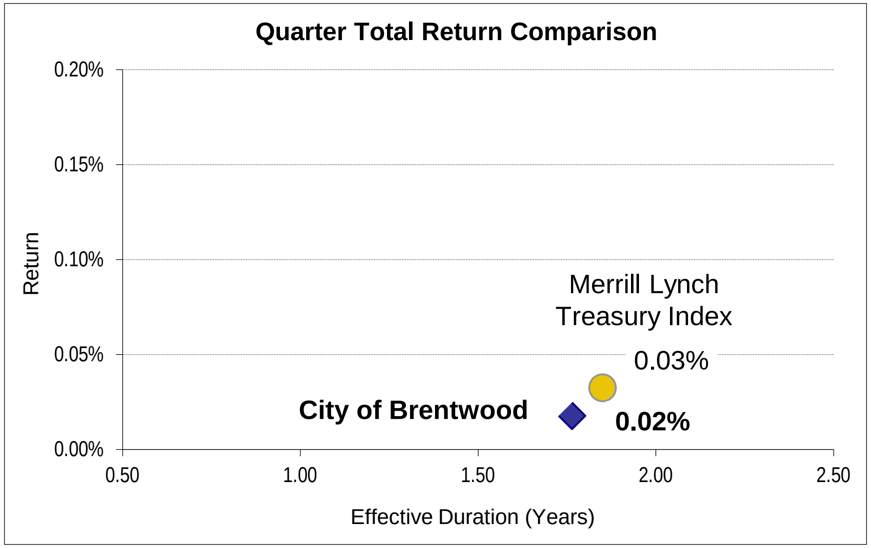
Notes:
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.

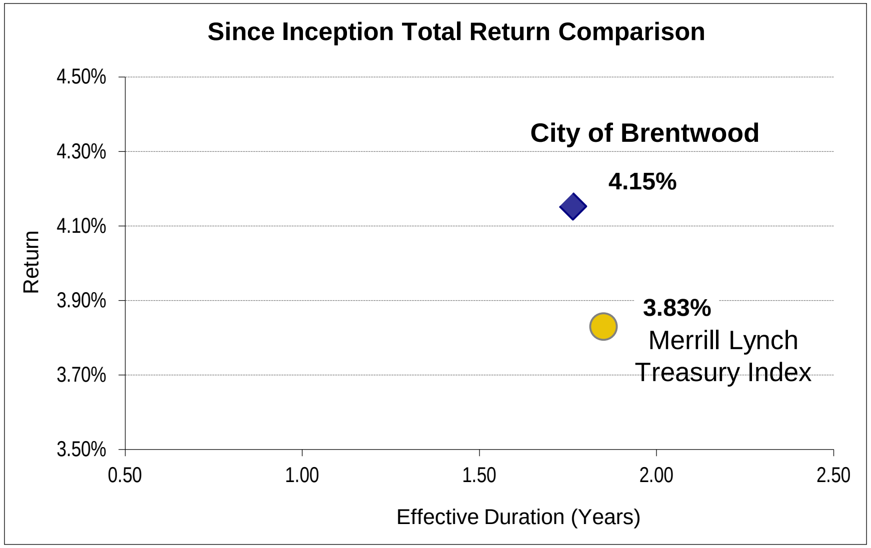
Portfolio Performance

Total Return[1,2,3,4,5]	Quarter Ended September 30, 2014	Past Year	Past 5 Years	Past 10 Years	Since Inception
City of Brentwood	**0.02%**	**0.71%**	**1.33%**	**2.88%**	**4.15%**
Merrill Lynch Treasury Index	0.03%	0.50%	1.03%	2.52%	3.83%

Effective Duration[4,5,6]	September 30, 2014	June 30, 2014
City of Brentwood	**1.76**	**1.70**
Merrill Lynch Treasury Index	1.84	1.85

Yields	September 30, 2014	June 30, 2014
Yield at Market	**0.73%**	0.56%
Yield on Cost	**0.75%**	0.64%

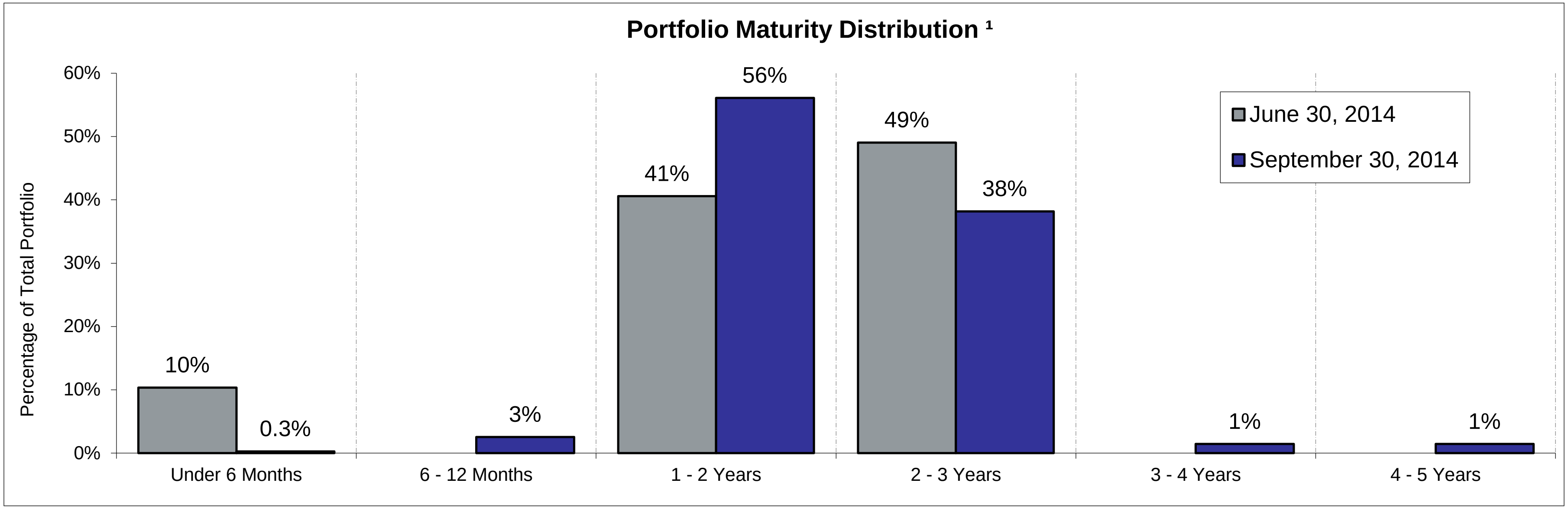




Notes:
1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
3. Merrill Lynch Indices provided by Bloomberg Financial Markets.
4. Includes money market fund/cash in performance and duration computations and excludes LAIF from performance, yield and duration computations.
5. Short-term funds are not included in performance and duration calculations.
6. Merrill Lynch 9-12 Month U.S. Treasury Bill Index for quarters through March 31, 2001, Merrill Lynch 9-12 Month U.S. Treasury Note Index ending June 30, 2002 and Merrill Lynch 1-3 Year U.S. Treasury Note Index beginning July 1, 2002. Inception date is 12/31/92.

Portfolio Maturity Distribution

Maturity Distribution[1]	September 30, 2014	June 30, 2014
Under 6 Months	**$485,538**	$19,797,163
6 - 12 Months	**$4,442,956**	$0
1 - 2 Years	**$97,726,494**	$77,570,577
2 - 3 Years	**$66,533,739**	$93,781,231
3-4 Years	**$2,501,978**	$0
4 - 5 Years	**$2,495,264**	$0
5 Years and Over	**$0**	$0
Totals	**$174,185,969**	$191,148,970



Notes:
1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Managed Account Detail of Securities Held

For the Month Ending **September 30, 2014**

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 05/02/2011 2.000% 04/30/2016	912828QF0	360,000.00	AA+	Aaa	04/05/13	04/11/13	378,112.50	0.34	3,013.04	369,407.62	369,014.04
US TREASURY NOTES DTD 05/02/2011 2.000% 04/30/2016	912828QF0	2,040,000.00	AA+	Aaa	03/27/13	03/28/13	2,141,362.50	0.38	17,073.91	2,092,008.37	2,091,079.56
US TREASURY NOTES DTD 06/30/2009 3.250% 06/30/2016	912828KZ2	1,250,000.00	AA+	Aaa	05/10/13	05/15/13	1,360,595.70	0.40	10,266.64	1,311,964.50	1,310,010.00
US TREASURY NOTES DTD 06/30/2009 3.250% 06/30/2016	912828KZ2	5,300,000.00	AA+	Aaa	05/22/13	05/28/13	5,757,332.03	0.44	43,530.57	5,559,252.52	5,554,442.40
US TREASURY NOTES DTD 08/01/2011 1.500% 07/31/2016	912828QX1	4,350,000.00	AA+	Aaa	06/02/14	06/05/14	4,448,554.69	0.44	10,993.21	4,433,833.50	4,427,312.55
US TREASURY NOTES DTD 08/01/2011 1.500% 07/31/2016	912828QX1	5,000,000.00	AA+	Aaa	02/04/14	02/07/14	5,125,976.56	0.48	12,635.87	5,093,149.15	5,088,865.00
US TREASURY NOTES DTD 08/31/2011 1.000% 08/31/2016	912828RF9	3,555,000.00	AA+	Aaa	08/29/13	08/30/13	3,574,580.27	0.81	3,044.34	3,567,537.60	3,583,884.38
US TREASURY NOTES DTD 09/30/2009 3.000% 09/30/2016	912828LP3	3,900,000.00	AA+	Aaa	02/27/14	02/28/14	4,147,101.56	0.53	321.43	4,091,210.49	4,084,641.60
US TREASURY NOTES DTD 10/31/2011 1.000% 10/31/2016	912828RM4	5,245,000.00	AA+	Aaa	06/02/14	06/05/14	5,301,752.54	0.55	21,949.18	5,294,221.96	5,282,286.71
US TREASURY NOTES DTD 11/30/2011 0.875% 11/30/2016	912828RU6	3,000,000.00	AA+	Aaa	12/19/13	12/20/13	3,016,289.06	0.69	8,821.72	3,012,001.35	3,011,015.63
US TREASURY NOTES DTD 11/30/2011 0.875% 11/30/2016	912828RU6	3,650,000.00	AA+	Aaa	11/27/13	12/03/13	3,682,365.23	0.58	10,733.09	3,673,463.92	3,663,402.34
US TREASURY NOTES DTD 11/30/2009 2.750% 11/30/2016	912828MA5	4,800,000.00	AA+	Aaa	10/31/13	11/01/13	5,109,562.50	0.63	44,360.66	5,018,164.80	5,011,497.60
US TREASURY NOTES DTD 01/31/2012 0.875% 01/31/2017	912828SC5	3,600,000.00	AA+	Aaa	07/29/14	07/31/14	3,606,890.63	0.80	5,307.07	3,606,429.96	3,606,750.00
US TREASURY NOTES DTD 05/31/2012 0.625% 05/31/2017	912828SY7	5,575,000.00	AA+	Aaa	06/02/14	06/05/14	5,543,205.08	0.82	11,709.78	5,546,603.24	5,526,653.60

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 07/31/2012 0.500% 07/31/2017	912828TG5	1,160,000.00	AA+	Aaa	07/01/14	07/07/14	1,143,914.06	0.96	977.17	1,145,131.21	1,142,419.04
US TREASURY NOTES DTD 08/31/2012 0.625% 08/31/2017	912828TM2	1,300,000.00	AA+	Aaa	09/02/14	09/04/14	1,285,171.88	1.01	695.79	1,285,537.27	1,282,835.94
Security Type Sub-Total		**54,085,000.00**					**55,622,766.79**	**0.61**	**205,433.47**	**55,099,917.46**	**55,036,110.39**
Municipal Bond / Note											
CA ST DEPT OF WATER TXBL REV BONDS DTD 09/27/2012 0.650% 12/01/2015	13066KX87	840,000.00	AAA	Aa1	09/19/12	09/27/12	840,000.00	0.65	1,820.00	840,000.00	842,158.80
UNIV OF CAL TXBL REV BONDS DTD 10/02/2013 0.907% 05/15/2016	91412GSX4	835,000.00	AA	Aa2	09/26/13	10/02/13	835,000.00	0.91	2,861.08	835,000.00	837,505.00
Security Type Sub-Total		**1,675,000.00**					**1,675,000.00**	**0.78**	**4,681.08**	**1,675,000.00**	**1,679,663.80**
Federal Agency Bond / Note											
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 01/24/2014 0.375% 02/19/2016	3130A0SD3	1,210,000.00	AA+	Aaa	01/27/14	01/29/14	1,208,414.90	0.44	529.38	1,208,931.62	1,210,468.27
FEDERAL HOME LOAN BANK GLOBAL NOTES DTD 01/24/2014 0.375% 02/19/2016	3130A0SD3	3,000,000.00	AA+	Aaa	02/04/14	02/07/14	3,000,180.00	0.37	1,312.50	3,000,122.43	3,001,161.00
FANNIE MAE GLOBAL NOTES DTD 02/15/2013 0.500% 03/30/2016	3135G0VA8	2,100,000.00	AA+	Aaa	08/01/13	08/02/13	2,092,986.00	0.63	29.17	2,096,040.37	2,101,606.50
FANNIE MAE GLOBAL NOTES DTD 02/15/2013 0.500% 03/30/2016	3135G0VA8	6,640,000.00	AA+	Aaa	02/14/13	02/15/13	6,632,430.40	0.54	92.22	6,636,355.50	6,645,079.60
FREDDIE MAC GLOBAL NOTES DTD 03/07/2013 0.500% 05/13/2016	3137EADO9	5,320,000.00	AA+	Aaa	08/01/13	08/02/13	5,295,581.20	0.67	10,196.67	5,305,751.98	5,322,941.96
FNMA NOTES DTD 08/19/2011 1.250% 09/28/2016	3135G0CM3	1,550,000.00	AA+	Aaa	10/01/13	10/03/13	1,573,259.46	0.74	161.46	1,565,570.71	1,568,331.85
FNMA NOTES DTD 08/19/2011 1.250% 09/28/2016	3135G0CM3	1,650,000.00	AA+	Aaa	10/01/13	10/03/13	1,674,387.00	0.75	171.88	1,666,326.14	1,669,514.55

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 08/07/2014 0.500% 09/28/2016	3130A2T97	3,575,000.00	AA+	Aaa	08/06/14	08/07/14	3,566,956.25	0.61	148.96	3,567,513.74	3,564,528.83
FNMA NOTES DTD 03/01/2012 1.125% 04/27/2017	3135G0JA2	675,000.00	AA+	Aaa	09/05/14	09/08/14	679,023.00	0.90	3,248.44	678,927.33	678,390.53
FHLB GLOBAL NOTE (CALLABLE) DTD 04/28/2014 1.625% 04/28/2017	3130A1LJ5	940,000.00	AA+	Aaa	04/02/14	04/28/14	950,434.00	1.25	6,491.88	946,005.21	947,832.08
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	1,705,000.00	AA+	Aaa	08/12/14	08/14/14	1,704,904.52	1.00	2,983.75	1,704,909.11	1,697,990.75
FREDDIE MAC GLOBAL NOTES DTD 06/25/2012 1.000% 07/28/2017	3137EADJ5	3,475,000.00	AA+	Aaa	08/12/14	08/14/14	3,474,767.18	1.00	6,081.25	3,474,778.19	3,460,714.28
FNMA NOTES DTD 08/25/2014 1.000% 09/27/2017	3135G0ZL0	2,560,000.00	AA+	Aaa	08/21/14	08/25/14	2,550,860.80	1.12	284.44	2,551,146.83	2,549,212.16
FANNIE MAE GLOBAL NOTES DTD 08/23/2013 1.875% 09/18/2018	3135G0YM9	2,475,000.00	AA+	Aaa	09/17/14	09/18/14	2,501,977.50	1.59	1,675.78	2,501,740.67	2,500,301.93
FREDDIE MAC GLOBAL NOTES DTD 07/30/2012 1.250% 08/01/2019	3137EADK2	2,565,000.00	AA+	Aaa	09/03/14	09/04/14	2,494,693.35	1.84	5,343.75	2,495,725.87	2,489,919.89
Security Type Sub-Total		**39,440,000.00**					**39,400,855.56**	**0.84**	**38,751.53**	**39,399,845.70**	**39,407,994.18**
Corporate Note											
JOHN DEERE CAPITAL CORP DTD 09/07/2012 0.700% 09/04/2015	24422ERV3	940,000.00	A	A2	09/04/12	09/07/12	939,360.80	0.72	493.50	939,800.88	943,077.56
JPMORGAN CHASE & CO GLOBAL NOTES DTD 10/18/2012 1.100% 10/15/2015	46623EJR1	3,900,000.00	A	A3	12/06/13	12/10/13	3,913,817.70	0.91	19,781.67	3,907,804.76	3,916,220.10
WALT DISNEY CO GLOBAL NOTES DTD 11/30/2012 0.450% 12/01/2015	25468PCU8	620,000.00	A	A2	11/27/12	11/30/12	615,381.00	0.70	930.00	618,194.14	619,601.34
CISCO SYSTEMS INC GLOBAL NOTES DTD 02/22/2006 5.500% 02/22/2016	17275RAC6	2,905,000.00	AA-	A1	11/05/13	11/08/13	3,226,728.75	0.62	17,308.96	3,101,156.32	3,093,525.79
CATERPILLAR FINANCIAL SE NOTES DTD 02/28/2013 0.700% 02/26/2016	14912L5N7	950,000.00	A	A2	02/25/13	02/28/13	948,822.00	0.74	646.53	949,443.87	951,051.65

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
PEPSICO INC GLOBAL NOTES DTD 02/28/2013 0.700% 02/26/2016	713448CE6	1,035,000.00	A-	A1	02/25/13	02/28/13	1,034,637.75	0.71	704.38	1,034,828.98	1,037,228.36
APPLE INC GLOBAL NOTES DTD 05/03/2013 0.450% 05/03/2016	037833AH3	920,000.00	AA+	Aa1	04/30/13	05/03/13	918,334.80	0.51	1,702.00	919,114.94	918,077.20
TOYOTA MOTOR CREDIT CORP DTD 05/17/2013 0.800% 05/17/2016	89236TAL9	1,620,000.00	AA-	Aa3	05/14/13	05/17/13	1,619,335.80	0.81	4,824.00	1,619,637.64	1,623,777.84
GENERAL ELEC CAP CORP (FLOATING) DTD 07/12/2013 0.884% 07/12/2016	36962G7A6	6,040,000.00	AA+	A1	07/09/13	07/12/13	6,040,000.00	0.93	11,711.63	6,040,000.00	6,092,372.84
WELLS FARGO & COMPANY DTD 07/29/2013 1.250% 07/20/2016	94974BFL9	2,500,000.00	A+	A2	07/22/13	07/29/13	2,497,600.00	1.28	6,163.19	2,498,533.65	2,514,540.00
BERKSHIRE HATHAWAY FIN GLOBAL NOTES DTD 08/15/2013 0.950% 08/15/2016	084664BX8	640,000.00	AA	Aa2	10/08/13	10/15/13	638,784.00	1.02	776.89	639,193.81	642,334.72
BERKSHIRE HATHAWAY FIN GLOBAL NOTES DTD 08/15/2013 0.950% 08/15/2016	084664BX8	2,130,000.00	AA	Aa2	08/06/13	08/15/13	2,128,871.10	0.97	2,585.58	2,129,291.73	2,137,770.24
AMERICAN HONDA FINANCE GLOBAL NOTES DTD 10/10/2013 1.125% 10/07/2016	02665WAB7	1,735,000.00	A+	A1	10/03/13	10/10/13	1,728,962.20	1.24	9,434.06	1,730,905.17	1,740,938.91
COCA-COLA CO/THE GLOBAL NOTES DTD 11/01/2013 0.750% 11/01/2016	191216BD1	755,000.00	AA	Aa3	10/29/13	11/01/13	754,131.75	0.79	2,359.38	754,394.91	754,103.06
BERKSHIRE HATHAWAY FIN (FLT) GLOBAL NT DTD 01/10/2014 0.384% 01/10/2017	084664CA7	1,300,000.00	AA	Aa2	01/06/14	01/10/14	1,300,000.00	0.39	1,149.73	1,300,000.00	1,300,001.30
PFIZER INC GLOBAL NOTES DTD 06/03/2013 0.900% 01/15/2017	717081DD2	3,900,000.00	AA	A1	05/28/13	06/03/13	3,893,760.00	0.95	7,410.00	3,896,034.25	3,888,245.40
PEPSICO CORP NOTES DTD 02/28/2014 0.950% 02/22/2017	713448CL0	2,240,000.00	A-	A1	02/25/14	02/28/14	2,237,446.40	0.99	2,305.33	2,237,942.40	2,230,854.08
WAL-MART STORES INC CORP NOTES DTD 04/22/2014 1.000% 04/21/2017	931142DN0	780,000.00	AA	Aa2	04/15/14	04/22/14	779,883.00	1.01	3,445.00	779,899.99	779,337.78
APPLE INC CORP NOTE DTD 05/06/2014 1.050% 05/05/2017	037833AM2	3,400,000.00	AA+	Aa1	04/29/14	05/06/14	3,398,198.00	1.07	14,379.17	3,398,436.99	3,388,426.40

Managed Account Detail of Securities Held

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
TOYOTA MOTOR CREDIT CORPORATE NOTE DTD 05/22/2012 1.750% 05/22/2017	89233P6D3	1,950,000.00	AA-	Aa3	04/23/14	04/28/14	1,982,136.00	1.20	12,228.13	1,977,754.45	1,974,749.40
THE WALT DISNEY CORPORATION CORP NOTE DTD 06/02/2014 0.875% 05/30/2017	25468PCZ7	1,900,000.00	A	A2	05/28/14	06/02/14	1,896,580.00	0.94	5,495.49	1,896,953.03	1,883,699.90
HSBC USA INC DTD 06/23/2014 1.300% 06/23/2017	40434CAA3	1,325,000.00	A+	A2	06/16/14	06/23/14	1,322,986.00	1.35	4,689.03	1,323,165.68	1,323,975.78
AMERICAN HONDA FINANCE GLOBAL NOTE DTD 07/15/2014 1.200% 07/14/2017	02665WAF8	820,000.00	A+	A1	07/08/14	07/15/14	818,843.80	1.25	2,077.33	818,923.95	816,899.58
Security Type Sub-Total		**44,305,000.00**					**44,634,600.85**	**0.94**	**132,600.98**	**44,511,411.54**	**44,570,809.23**
Certificate of Deposit											
CITIBANK NA FLOATING CERT DEPOS DTD 08/14/2014 0.371% 08/11/2015	17304UYB0	3,500,000.00	A-1	P-1	08/12/14	08/14/14	3,500,000.00	0.37	1,729.98	3,500,000.00	3,497,655.00
SKANDINAVISKA ENSKILDA BY NY FLOAT CD DTD 01/10/2014 0.552% 01/04/2016	83051HUD6	3,700,000.00	A-1	P-1	01/07/14	01/10/14	3,700,000.00	0.56	4,936.49	3,700,000.00	3,703,233.80
WESTPAC BANKING CORP NY LT FLOAT CD DTD 04/17/2014 0.414% 04/15/2016	96121TWF1	4,000,000.00	A-1+	P-1	04/16/14	04/17/14	4,000,000.00	0.41	3,584.53	4,000,000.00	4,004,884.00
RABOBANK NEDERLAND NV NY CD DTD 05/13/2014 0.716% 05/06/2016	21684BPV0	4,000,000.00	A-1+	P-1	05/09/14	05/13/14	4,000,000.00	0.71	10,982.50	4,000,000.00	3,981,500.00
BANK OF NOVA SCOTIA HOUS CD FLOAT DTD 06/13/2014 0.414% 06/10/2016	06417HMU7	4,800,000.00	A+	Aa2	06/11/14	06/13/14	4,797,100.80	0.28	1,158.08	4,797,538.85	4,800,096.00
NORDEA BANK FINLAND NY FLOAT CERT DEP DTD 06/13/2014 0.414% 06/13/2016	65558ET57	4,800,000.00	AA-	Aa3	06/11/14	06/13/14	4,800,000.00	0.31	883.41	4,800,000.00	4,798,334.40
GOLDMAN SACHS BANK USA CD DTD 08/19/2014 0.900% 08/12/2016	38147J2L5	3,500,000.00	A-1	P-1	08/14/14	08/19/14	3,500,000.00	0.90	3,710.96	3,500,000.00	3,493,770.00

Managed Account Detail of Securities Held

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Certificate of Deposit											
US BANK NA CINCINNATI (CALLABLE) CD DTD 09/11/2014 1.375% 09/11/2017	90333VPF1	4,350,000.00	AA-	Aa3	09/09/14	09/11/14	4,342,996.50	1.41	3,322.92	4,343,124.30	4,314,604.05
Security Type Sub-Total		**32,650,000.00**					**32,640,097.30**	**0.61**	**30,308.87**	**32,640,663.15**	**32,594,077.25**
Managed Account Sub-Total		**172,155,000.00**					**173,973,320.50**	**0.75**	**411,775.93**	**173,326,837.85**	**173,288,654.85**
Securities Sub-Total		**$172,155,000.00**					**$173,973,320.50**	**0.75%**	**$411,775.93**	**$173,326,837.85**	**$173,288,654.85**
Accrued Interest											**$411,775.93**
Total Investments											**$173,700,430.78**